

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7839

BILL NUMBER: HB 1824

DATE PREPARED: Jan 15, 2001

BILL AMENDED:

SUBJECT: Wastewater Revolving Loan Fund.

FISCAL ANALYST: Bernadette Bartlett

PHONE NUMBER: 232-9586

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
☐ **FEDERAL**

IMPACT: State & Local

Summary of Legislation: This bill redefines "participant" for purposes of financial assistance agreements and the Wastewater Revolving Loan Program. The bill enables a private entity to participate in the Wastewater Revolving Loan Program in connection with a non-point source pollution reduction project. The bill also makes conforming amendments.

Effective Date: July 1, 2001.

Explanation of State Expenditures: Currently, political subdivisions can apply for grants from the Drinking Water and Wastewater Assistance Fund to fund improvements associated with public water systems and for wastewater or storm water collection and treatment systems. This bill permits the Budget Agency to make grants to political subdivisions as well as private entities with a non-point source pollution reduction project.

State Revolving Fund loans completed for publicly owned wastewater and drinking water projects have equaled \$813,858,617. The Budget Agency has also loaned and granted \$68.5 million in Build Indiana Funds since 1995 for wastewater and drinking water projects. The impact of the above proposal is indeterminable and will depend on the number and nature of additional loans that result.

The Budget Agency must establish the terms and conditions under which it will make the grants. Costs associated with the administration of the supplemental fund are to be paid from money in the fund.

The Water Pollution Control Board must amend rules to reflect the above changes. The Indiana Department of Environmental Management, that provides staffing for the board, will experience an increase in costs associated with revising rules; however, the Department should be able to absorb any additional expenditures given its current budget.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: Providing that the fund may be used by private entities for additional projects could affect revenue available for projects currently allowed political subdivisions.

State Agencies Affected: Budget Agency

Local Agencies Affected: Political Subdivisions.

Information Sources: Rich Emery, State Budget Agency, 232-0759.